The Analysis on Factors Affecting Audit Delay on Manufacturing Companies Listed in Indonesia Stock Exchange

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Abstract
The purpose of this research was to analyze the factors influencing an audit delay. The population of this research was all the manufacturing companies listed in The Indonesian Stock Exchange for the period of 2014 and 2015, which resulted in 254 company samples. Financial statements comprising of balance sheets, income statements, and notes to financial statement were analyzed using descriptive statistics and multiple linear regressions. The result showed that unlike solvency, audit firm’s reputation, complexity of the company’s operation and the company’s size did not significantly affect the audit delay in 2015. All the independent variables simultaneously affected the dependent variable for 2 years respectively. The results indicate that the higher the profitability of a company, the less time it will take for the company to publish its financial statements. The higher the solvability of a company is, the more thorough the auditing process will be required by the auditor.

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Kata kunci:
Reputasi Perusahaan Audit
Profitabilitas
Solvabilitas
Kompleksitas Operasi Perusahaan
Ukuran Perusahaan

Abstrak
1. Introduction

As financial statements can functions as a measuring tool to measure the performance of the company, it is important that the reports are provided accurately and timely. According to Rahmawati (2013), the value of timeliness of financial report is an important factor of the financial statements, especially for public companies listed in the stock exchange. Timely publication could help listed companies to attract and maintain investor confidence. In a long term, it would ensure users of financial statements to be able to make a fully informed decision making. In Indonesia, listed companies should submit the financial statements to the capital market after gaining the approval from Capital Market Supervisory Agency (Bapepam-LK)\(^1\).

In 1996, the Capital Market Supervisory Agency issued Keputusan Ketua Badan Pengawas Modal No.38/PM/1996, which requires every public company to submit the annual financial statement and the company’s independent audited report to Bapepam no later than 150 days after the date of the company’s annual report. However in 2003, Bapepam started to tighten the regulations by issuing Keputusan Ketua Badan Pengawas Modal No.36/PM/2003 which stated that the annual financial statements accompanied by an appropriate opinion must be submitted to Bapepam no later than 90 days after the date of the annual financial statements.

This meant that the manager of the company should immediately provide fast information to investors about the company’s condition. In addition, it is expected that the capital market in Indonesia can catch up with today’s global capital markets. In comparison, research show that audit lag is longer in developing countries (Che-Ahmad & Abidin, 2008). Therefore, further research focusing in developing countries is necessary.

Estrini (2013) states that in order to obtain the opinion of public accountants, it is necessary to audit the financial statement. The financial statement users cannot use the financial statement directly, since there is a process of auditing the financial statements. That is what leads to the publication date of the financial statements differs from the date of closing of the financial year of the company. Thus, the purpose of this research is to examine partially the effect of the reputation of audit firm, company’s size, profitability, solvency, and complexity of company’s operations on audit delay from manufacturing companies listed in Indonesia Stock Exchange in 2014 and 2015. This study is also intended to investigate the effect of the five variables simultaneously on Audit Delay, as well as examining the average time of audit completions on manufacturing companies listed in the Stock Exchange.

There are several theories that can be used to support this research. The first theory is Agency Theory which according to Estrini (2013) explains the relationship between agent (the management of a company) and the principal (owner). Principal is the party which gives the mandate to the agent to perform services on behalf of the principal, while the agent is the mandatory. Thus agents have the authority to make a decision, while the principal is the party that evaluates the information. The second theory related with the compliance in reporting the financial report obligation.

Compliance means to be obedient or submissive to the teachings or rules. The third theory is about the meaning of financial statements. Financial accounting standards (Ikatan Akuntan Indonesia, 2007:7) define the financial statements as: “The financial statements are part of financial report. Complete set of financial statements normally includes a balance sheet, income statement, statement of financial position that can be presented in various ways, such as the statement of cash flows or funds flow statement, and the notes to these statements and explanatory material as an integral part of the financial statements. Besides, it also includes schedules and additional information relating to the report, for example, the industrial financial information and geographical segments, as well as the disclosure of the effect of price changes”.

According to the Financial Accounting Standards or SAK (Ikatan Akuntan Indonesia, 2007:5) the Framework for the Preparation and Presentation of Financial Statements has four qualitative characteristics that may be useful to the users. Those qualitative characteristics are easy to understand (understandability), relevant (relevance), reliable (reliability), and comparable (comparability).

2. Theoretical Background
2.1 Audit Delay

The delayed time of the audited financial statements, submitted by the auditor to the company, may affect the quality of the information from the report. It indicates that the information provided is out of date and it suggests that the quality of the audited financial statements is bad. The relevance of the audited

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\(^1\)Bapepam-LK has been replaced by Indonesia Financial Services Authority (OJK) as the Indonesian government agency that regulates and supervises the financial services sector, based on the Law no. 21of 2011 as of November 22nd, 2011.
financial statements can be obtained if the audited financial statements can be completed in a timely manner when needed. Choiruiddin (2015) use three criteria in the audit delay research:

1. Preliminary lag: the interval number of days from the date of the financial statements until the date of receipt of the preliminary report by the end of the exchange.
2. The audit delay: the interval number of days from the date of the financial statements until the date of the auditor's report is signed.
3. Total lag: the interval number of days from the date of the financial statements until the date of receipt of the report published on the exchange. Audit delay is also known as audit report lag.

2.2 The Reputation of Audit Firm

Zebriyanti (2016) found that the reputation of Audit Firm has a negative effect on audit delay. In this research the determinant of the reputation of audit firm come from whether the audit firm has affiliation with the Big Four. The big four audit firm are consisted of Klynveld Peat Marwick Goerdeler (KPMG), Price Waterhouse Cooper (PCW), Ernst & Young (E&Y), and Deloitte Touche Thomatsu (Deloitte). It is suggested that when companies use the audit service of a well known audit firm, then the amount of time to finish the audit will decrease. This is due to many reasons such as the big manpower they have or the professionalism they have to maintain as the leading audit firm in the world. Similarly, the size of Audit Firms also affect the audit delay (Iskandar and Trisnawati, 2010; Lucyanda &Nurni, 2013). The Audit Firms specialize on industrial specialist also affect audit report lag (Habib and Bhuiyan, 2010). However, Ponte et al., (2008) reveals difference finding, as audit firm did not affect audit delay in Spain (2008). Based on the above description, it can be formulated the following hypothesis:

H1: The reputation of Audit Firm has a negative effect on audit delay.

2.3 Profitability

Research conducted by Putra (2016), Kartika (2011) and Kharsameh and Aljifri (2010) showed that Profitability has a negative effect on audit delay. Company that produces profit at the end of the year would certainly think that it is good news for stakeholders. It means that the company had a good performance and would surely want to promptly inform the stakeholders.

However, Saemagni and Mustikawati (2015) Angruningrum and Wirakusuma (2013) and Al-Ajmi (2008) find that profitability does not affect audit delay. This implies that, if the company had a loss, the company would be more cautious to prepare the financial statement. In addition, the auditor would also carefully search the cause of the company loss, making it even longer for the audit process to finish. Based on the above description, it can be formulated the following hypothesis:

H2: Profitability has a negative effect on audit delay.

2.4 Solvency

Financial leverage ratio or solvency ratio are used to measure the ability of the company to meet its obligations (Ross, 2016). There are three commonly used measures of leverage ratio, those are debt ratio, debt to equity ratio, and equity multiplier. Cahyanti (2016) found a positive relationship between debt ratio (ratio of total debt to total assets) and the company's audit delay. According to Cahyanti, the higher the solvency means there are a going concern issues that require a more thorough audit.Kurniawati (2016) also uses the solvency as one of the variables in her research. However, the difference is Kurniawati used debt to equity ratio (the ratio of total debt to total equity). The result shows that the debt to equity ratio has positive effect on audit delay. Based on the description above, the hypothesis can be described as follows:

H3: Solvency as measured by total debt to total equity has a positive effect on audit delay.

2.5 The Complexity of the Company's Operations

Research conducted by Widyastuti (2017) and Hassan (2016) indicated that the level of operational complexity of a company has a positive relationship that will affect audit delay. Companies that have operating units (branches) will require a longer time for the auditor to perform the audit process. The number of owned subsidiary companies is the information that the company has more operating units to be inspected, both in every transaction and the accompanying notes, which require the auditors to perform a longer process in auditing. Based on the above description, it can be formulated as the following hypothesis:

H4: The complexity of the company's operations has a positive effect on audit delay.

2.3 The Company's Size

According to the research conducted by Hersugondo and Kartika (2013), large companies
reported more quickly than small companies. In conclusion, the size of the company is the factor that affects audit delay.

The research conducted by Saputri (2012) and Al-Ghanem and Hegazi (2011), reveals that by using total assets as a proxy for company’s size indicates that the audit delay has opposite relationship with company’s size. However, this occurs because larger companies have stronger internal controls that would reduce the likelihood of financial reporting errors that may occur and convince the auditor to control a wider area and do the work internally. In addition, associated with better services by the company is to ensure the satisfaction of larger clients. Moreover, other research also find that also find that firm size significantly affect audit report lag (Mukhtarudin and Oktarina, 2015; Suryanto, 2016; Puspitasari and Latrini, 2014). An interesting finding in Finland shows that size of company will increase the likelihood of audit results (Paananen, 2016). The similar case also occurs in Nigeria, in which the size of the company affect audit delay (Modugu et al., 2012). Based on the above description, it can be formulated as the following hypothesis:

H5: Company’s size has a negative effect on audit delay.

3. Research Methods

The population used in this study was manufacturing companies that were listed on the Stock Exchange in 2014 and 2015. The sampling method used was purposive sampling, where the population to be sampled was the population that meet certain criteria.

2. The Company was a manufacturing one, to obtain similar characteristics.
3. Displaying the data and information that were used to analyze the factors that affect the audit delay in 2014 and 2015.

Based on the criteria above, the sample collected for the research were 127 companies for each year respectively. This study used the data from financial statements, comprising of balance sheets, income statements, and notes to the financial statement to obtain information about all the variables in this study. The data collection was obtained from the financial statements of companies listed on the Stock Exchange in 2014 and 2015.

This study uses days as the measurement of the delays in audit delay. The definition of audit delay is the grace period of the number of days between the closing dates until the date of signing in the audited financial statements. The reputation of the audit firm is measured by dummy variable. In which it will be given score 1 if the audit firm is one of the big four, and given score 0 if otherwise. The profitability is measured by using return on assets ratio which is net income divided by total assets. Solvency is measured by the total debt to equity ratio. The complexity of the company's operations in this study was determined by a number of subsidiaries the company’s owned. This variable was measured by counting the number of wholly owned subsidiaries, which were then coupled with its parent company. Firm’s size is the size of the company and calculated by using the total assets owned by the company or the client company's total assets of listed companies on the financial statements at the end of the period audited.

The hypothesis test in this study employed multiple linear regression analysis. There are four critical assumption required before linear regression analysis is conducted, they are normality test, heteroscedasticity test, multicollinearity test and autocorrelation test. The hypothesis analysis in multiple linear regression consisted of:

1. Coefficient of Determination which was used to measure how far the ability of the model can explain the variation in the dependent variable.
2. Partial Hypothesis test or T test was used to test whether the independent variables have a partial effect on the dependent variable. The hypothesis was tested using a significance level ($\alpha$) of 5 percent or 0.05.
3. Simultaneous Hypothesis Testing or F Test was used to determine all the independent variables included in the regression model that had simultaneous effects on the dependent variable.

In order to understand the effect of the independent variables to dependent variables for each year, the researcher will conduct the hypothesis test for one time in each year respectively.

4. Analysis and Discussion

Based on the data of the financial statements of the companies, obtained from Indonesia Stock Exchange, the value of each variables, namely the Audit Delay, the complexity of the company’s operations, the company’s size and the solvency ratio can be determined. The writer put all the data into SPSS
and the first result was the descriptive statistics which showed the value of minimum, maximum, mean and standard deviation of each variable for each year.

<table>
<thead>
<tr>
<th>Table 1. Descriptive Statistics in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>AUDELA</td>
</tr>
<tr>
<td>BFOUR</td>
</tr>
<tr>
<td>PROF</td>
</tr>
<tr>
<td>SOLV</td>
</tr>
<tr>
<td>SUBS</td>
</tr>
<tr>
<td>SIZE</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

Based on Table 1, the result concluded such as:
1. The minimum days of audit completions was 46, the maximum was 167, with the average value of 79 days while the standard deviation is 16.974.
2. The minimum value in audit firm was zero while the maximum value was 1. The average value is 0.4094 and the standard deviation is 0.49368
3. The minimum value of profitability is -22.230 while the maximum value is 40.1838, the average value is 5.115 and the standard deviation is 9.2608
4. The minimum value of solvency was -3.1037 and the maximum value was 798.8794. the average value was 65.96527 with standard deviation of 355.479
5. The minimum value of complexity of company’s operations is 1, while the maximum value is 72. The average value is 6.53 and the standard deviation is 10.609
6. The minimum value of company’s size (in million rupiahs) was 62.608 while the maximum value was 236,029,000. The average value was 7,904,258 and the standard deviation is 23,933,429.

<table>
<thead>
<tr>
<th>Table 2. Descriptive Statistics in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>AUDELA</td>
</tr>
<tr>
<td>BFOUR</td>
</tr>
<tr>
<td>PROF</td>
</tr>
<tr>
<td>SOLV</td>
</tr>
<tr>
<td>SUBS</td>
</tr>
<tr>
<td>SIZE</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

Based on Table 2 the result can be concluded such as:
1. The minimum days of audit completions was 46, the maximum was 271, with the average value of 85 days while the standard deviation is 23.755.
2. The minimum value in audit firm was zero while the maximum value was 1. The average value is 0.3937 and the standard deviation is 0.49050
3. The minimum value of profitability is -127.9161 while the maximum value is 37.2810. the average value is 2.60977 and the standard deviation is 15.6024
4. The minimum value of solvency was -511.583 and the maximum value was 1990.099. the average value was 130.3503 with standard deviation of 270.5744
5. The minimum value of complexity of company’s operations is 1, while the maximum value is 97. The average value is 7.0866 and the standard deviation is 12.55213
6. The minimum value of company’s size (in million rupiahs) was 40,081 while the maximum value was 245,435,000. the average value was 8,292,205 and the standard deviation is 25,329,472.
The requirements for using multiple linear regression analysis is the data had to pass the classical assumption test. Those tests are consisted of normality test, multicollinearity test, heteroskedasticity test, and autocorrelation test. If the data has met the requirement of classic assumption test, multiple linear regressions can be implemented. It needed to be noted that the type of data which could be processed with multiple linear regression had to be interval or ratio, to avoid the invalidity of the result. The Regression model were formulated with the following equation:

\[
AUDELAY = \beta_0 + \beta_{1BFOUR} + \beta_{2PROF} + \beta_{3SOLV} + \beta_{4SUBS} + \beta_{5SIZE} + e
\]

**Explanation:**
- \( \beta_0 \) = constanta
- \( AUDELAY \) = audit delay. It meant the number of days between the dates of closing of the financial year until the date of signing in the audit report, quantifiable per day.
- \( BFOUR \) = Audit Firm’s Reputation, proxied by dummy variable
- \( PROF \) = Profitability, proxied by net income divided by total assets
- \( SOLV \) = Solvency, proxied by total debt divided by total equity
- \( SUBS \) = The Complexity of the Company’s Operations, proxied by total number of subsidiaries and parent company.
- \( SIZE \) = The Company’s Size, proxied by total assets
- \( e \) = Variable interference

### Table 3. Multiple Regression Result in 2014

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>82.374</td>
<td>1.695</td>
<td>48.59</td>
<td>.000</td>
</tr>
<tr>
<td>BFOUR</td>
<td>-4.036</td>
<td>2.670</td>
<td>-.143</td>
<td>1.512</td>
</tr>
<tr>
<td>PROF</td>
<td>-.245</td>
<td>.139</td>
<td>-.163</td>
<td>1.768</td>
</tr>
<tr>
<td>SOLV</td>
<td>-.004</td>
<td>.003</td>
<td>-.097</td>
<td>1.089</td>
</tr>
<tr>
<td>SUBS</td>
<td>.078</td>
<td>.132</td>
<td>.059</td>
<td>.587</td>
</tr>
<tr>
<td>SIZE</td>
<td>-1.026E-7</td>
<td>.000</td>
<td>-.177</td>
<td>1.761</td>
</tr>
</tbody>
</table>

* a. Dependent Variable: AUDELAY

Based on the table 9, the regression model in 2014 is:

\[
AUDELAY (1) = 82.374 - 4.036BFOUR - 0.245PROF + 0.004SOLV + 0.078SUBS - 0.0000000102SIZE + e
\]

### Table 4. Multiple Regression Result in 2015

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>83.662</td>
<td>1.879</td>
<td>44.52</td>
<td>.000</td>
</tr>
<tr>
<td>BFOUR</td>
<td>-4.944</td>
<td>2.778</td>
<td>-.155</td>
<td>1.780</td>
</tr>
<tr>
<td>PROF</td>
<td>-.191</td>
<td>.084</td>
<td>-.191</td>
<td>2.273</td>
</tr>
<tr>
<td>SOLV</td>
<td>.016</td>
<td>.005</td>
<td>.284</td>
<td>3.397</td>
</tr>
<tr>
<td>SUBS</td>
<td>.091</td>
<td>.122</td>
<td>.073</td>
<td>.741</td>
</tr>
<tr>
<td>SIZE</td>
<td>1.713E-8</td>
<td>.000</td>
<td>-.028</td>
<td>-.284</td>
</tr>
</tbody>
</table>

* a. Dependent Variable: AUDELAY

Based on the table 10, the regression model in 2015 is:

\[
AUDELAY = 83.662 - 4.944BFOUR - 0.191PROF + 0.016SOLV + 0.091SUBS - 0.0000000171SIZE + e
\]

### 4.1 Coefficient of Determination

After the regression model was made. The next analysis was to determine the percentage of the independent variables in influencing the dependent variable. This analysis was conducted through the coefficient of determination. The coefficient of determination could be seen from Adjusted \( R^2 \). The researcher decided to use the adjusted \( R^2 \) because while \( R^2 \) indicates that the dependent variable was only being explained by the independent variables in the model, adjusted \( R^2 \) compares the descriptive power of the regression models that also include diverse numbers of other predictors aside of those in the model.

The result for the year 2014 could be seen in table 7. The adjusted \( R^2 \) was 0.072 which meant that the independent variables could only describe its effect towards the dependent variable for only 7.2%, while the rest (92.8%) was explained by factors not included...
in the model. In 2015, the result of the adjusted $R^2$ could be seen in table 8 which was 0.12. It means that the effect of the independent variables toward the dependent variable can only be explained at 12% while the rest (88%) was explained by other factors.

4.2 Partial Hypothesis Test (T Test)

The next analysis was to test the effect of the independent variables to the dependent variable partially and annually. This test could be done through partial hypothesis test (T Test). The hypothesis was tested by using a significance level ($\alpha$) of 5 percent or 0.05. The criteria for acceptance or rejection of the hypothesis would be based on the $p$-value of significance. If the $p$-value was $< \alpha$, the hypothesis would be accepted. On the other hand if the $p$-value was $> \alpha$, the hypothesis would be rejected.

The result of the T-test in 2014 could be seen in table 9. The significance value of the independent variables are 0.133 for audit firm’s reputation, 0.80 for profitability, 0.278 for solvency, 0.558 for complexity of company operations, and 0.81 for company’s size. All the value of the independent variables are higher than 0.05 which means that none of the independent variables have statistically significant effect toward the dependent variable.

In 2015, the result of the T-test could be seen in table 10. The significance value of the independent variables are 0.78 for audit firm’s reputation, 0.025 for profitability, 0.001 for solvency, 0.460 for complexity of company operations, and 0.777 for company’s size. Among those result, the one with significance value lower than 0.05 are profitability and solvency. It means that statistically, profitability and solvency have significance effect toward audit delay.

This result was in line with studies conducted by Panjaitan (2013) that profitability has significance effect towards audit delay. The result of the $t$-value was -2.273 which means that the effect is negative. This result indicated that when the company produces profit, they tended to publish the good news to the public promptly. On the other hand, if the company produces loss or low profit, they would likely to delay the publication due to the bad news. In addition, auditor would take longer time to audit their income statement if they produces loss due to the assumption that the company wanted to avoid tax.

The result of solvency supported the research conducted by Puspitasari (2012) who found that there was a statistically significant effect of solvency on audit delay. The result of the $t$-value is 3.397 which mean that the effect is positive. It indicates that the higher the solvency of a company the longer the audit delay will be. It might be caused by an ongoing concern opinion toward the ability of the company to meet its obligation. Thus, it would require a more thorough audit that would make the audit process become long and most likely delayed.

On the other hand, the result for the Audit firm’s reputation in both years did not produce a significance result towards audit delay. It can be caused that either audit firm from big for or non big four were required to do auditing process in accordance with GAAP, in which the reputation of the auditing firm will not affect the professionalism and the time limit when they do the auditing process. This result was consistent with the research conducted by Rahmawati (2015)

The result for the complexity of the company’s operations showed that the variable did not significantly affect audit delay. This result did not support the result from researches conducted by Saputri (2012) and Rahmawati (2015) which found the evidence that the complexity of the company’s operations statistically affect audit delay positively. However, it was consistent with the research conducted by Fikriansyah (2016). The reason why this study had a different result with Saputri (2012) and Rahmawati (2015) might be because of the different way the variable was measured. While the previous studies used dummy as the measurement for the variable, this study used ratio as the measurement. The other reason might be due to the rapid development of technology and the convergence of IFRS in Indonesia since 2012 which ease the process of consolidating the financial statement without taking too much time.

The results of this study also indicated that the company’s size had no significant effect towards audit delay; this result was in line with the studies conducted by Saputri (2012) and Tahunpuering (2016), who found that there was not any evidence that the company’s size had affect audit delay. In addition, the statement which said that company’s size does not have any effect on audit delay is probably because the sample is a listed company in the Stock Exchange which had been supervised by the investors, the regulatory capital, and the government. On that basis, companies with large and small assets have the same possibility in the face of pressures on the delivery of the financial statements. The second possibility is that the auditor might consider that the auditing process regardless of the amount of assets owned by each company will be
checked in the same way, according to the standard procedure of professional public accountants.

4.2 Simultaneous Hypothesis Testing.
After the partial hypothesis testing was conducted, the next analysis to be conducted was simultaneous hypothesis testing (F Test). The hypothesis was tested by using a significance level (α) of 5 percent or 0.05. The criteria for acceptance or rejection of the hypothesis would be based on the value of the probability of significance. If the p-value was < 0.05, the hypothesis was accepted.

Table 5. The Coefficient of Determination Value

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2656.498</td>
<td>5</td>
<td>531.300</td>
<td>2.969</td>
<td>.015a</td>
</tr>
<tr>
<td>Residual</td>
<td>21655.549</td>
<td>121</td>
<td>178.971</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24312.047</td>
<td>126</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SIZE, SOLV, PROF, BFOUR, SUBS
b. Dependent Variable: AUDELAY

As shown on the table above, the result showed that the independent variables significantly affected the dependent variables simultaneously in 2014, since the p-value (0.015) was lower than the significance level (0.05).

Table 6. The Coefficient of Determination Value

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>4766.253</td>
<td>5</td>
<td>953.251</td>
<td>4.444</td>
<td>.001a</td>
</tr>
<tr>
<td>Residual</td>
<td>25955.196</td>
<td>121</td>
<td>214.506</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30721.449</td>
<td>126</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SIZE, SOLV, PROF, BFOUR, SUBS
b. Dependent Variable: AUDELAY

Based on the result on the table above, it could be concluded that the independent variables simultaneously affected the independent variable in 2015 with p-value 0.001 which is lower than 0.05.

6. Conclusions
Based on the analysis that has been done on the factors influencing audit delay, it can be concluded as follows:
1. The factor of audit firm’s reputation has no statistically significant effect on audit delay, with a p-value more than 0.05 for (two) 2 years respectively.
2. The factor of profitability has negative and statistically significant effect on audit delay, with a p-value less than 0.05 in 2015.
3. The factor of solvency has a positive and statistically significant effect toward audit delay with a p-value less than 0.05 in 2015.
4. The factor of the complexity of the company’s operations has no statistically significant effect on audit delay, with a p-value more than 0.05 for 2 years respectively.
5. Similarly, the company’s size did not significantly affect audit delay, with a p-value more than 0.05 for 2 years respectively.
6. The factors of audit delay, namely audit firm’s reputation, profitability, solvency, the complexity of the company’s operations, and the company’s size have a statistically significant effect on audit delay simultaneously for 2 years respectively.
7. Based on the analysis, the average length of audit completion on companies listed in the Stock Exchange was increasing from 79 days in 2014 to 85 days in 2015.

Based on the result of the research, there are several recommendations to improve the quality for the next research. Further study needs to be done to examine whether or not the variables in this study have the same effect on different kinds of company or for different accounting period. Since the effect of audit delay in this research is small, it is recommended to add more variables to determine the factors that have more effect on audit delay.

There are more factors to be considered besides the independent variables in this paper, such as the audit switching, the age of the company, the management of corporate governance, etc.

References


